

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRICE ADJUSTMENT FOR  
ALTERNATE POSTAGE PAYMENT METHOD

Docket No. R2014-1

**NOTICE OF THE UNITED STATES POSTAL SERVICE  
OF FILING OF NON-PUBLIC LIBRARY REFERENCE  
USPS-LR-R2014-1/NP1  
(November 5, 2013)**

The United States Postal Service hereby gives notice of the filing of the following  
Category 4 nonpublic library reference in Docket No. R2014-1:

**USPS-LR-R2014-1/NP1    Nonpublic Performance Data For Alternate  
Postage Market Test**

The material contained in USPS-LR-R2014-1/NP1 includes an unredacted version of  
Attachment B to the Postal Service's *Notice of Market Dominant Classification and Price  
Changes for the Alternate Postage Payment Method*, filed today. Attachment B  
contains commercially sensitive and customer-specific volume and revenue information,  
and, accordingly, is submitted as part of the nonpublic annex in this proceeding. The  
Application of the United States Postal Service for Non-Public Treatment of Materials is  
attached to this pleading.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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## **APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS**

In accordance with 39 C.F.R. § 3007.21, the United States Postal Service (Postal Service) hereby applies for non-public treatment of materials contained in library reference USPS-LR-R2014-1/NP1. The materials in this library reference include Attachment B to the Postal Service's *Notice of Market Dominant Classification and Price Changes for the Alternate Postage Payment Method*, filed today. Attachment B includes the most recent performance data for the Alternate Postage Payment Method for Greeting Cards market test (Alternate Postage Market Test). The volume and revenue data in this report are nonpublic because they include mailer-specific data for the sole market test participant, Hallmark Cards, Inc. The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c).

### **(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);**

Information of a commercial nature, which under good business practice would not be publicly disclosed, as well as third party business information, is not required to be disclosed to the public. 39 U.S.C. § 410(c)(2); 5 U.S.C. § 552(b)(3) and (4). Because the portions of materials filed non-publicly in this docket fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

**(2) Identification, including name, phone number, and e-mail address for any third party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;**

Third parties that may have a proprietary interest in the information in this filing include the sole participant in the Alternate Postage Market Test, Hallmark Cards, Inc. The point of contact for Hallmark is Albert Mauro, Hallmark Legal Department, 2501 McGee #339, Kansas City, MO 64108, email: [amauro1@hallmark.com](mailto:amauro1@hallmark.com). The Postal Service will contact Mr. Mauro to alert him of the filing of this application.

**(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;**

The non-public materials are the volumes and revenues for the market test from January 2012 thru September 2013. The rest of the data collection report is being filed publicly today, with the volume and revenue information redacted. The Postal Service maintains that the redacted portions of these materials should remain confidential as sensitive business information.

**(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;**

Customer-specific data redacted from the report could be used by that customer's competitors to target their marketing efforts.

**(5) At least one specific hypothetical, illustrative example of each alleged harm;**

Identified harm: Public disclosure of customer-specific volume and revenue would be used by competitors of that customer to target their marketing efforts, or by consignees to negotiate terms.

Hypothetical: A competing greeting card company obtains a copy of the unredacted data collection report. Learning the extent of Hallmark's sales of the Alternate Postage Payment greeting cards, the competitor could decide whether to pursue this type of greeting card, or not invest in it. Hallmark is a privately held company that does not publish its financial information. Releasing the Alternate Postage Payment greeting card information could give competitors significant insights into Hallmark's market and financial positions. Releasing the volume and revenue information also could lead to a shift in negotiating positions for Hallmark's consignees who could use the information to assess whether Hallmark is meeting its planned goals and negotiate accordingly.

**(6) The extent of protection from public disclosure deemed to be necessary;**

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant market for greeting cards, including employees of companies that produce or sell greeting cards, and consignees of Hallmark.

**(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof;**

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

**(8) Any other factors or reasons relevant to support the application.**

The Postal Service considers this Application sufficient to fulfill its regulatory requirements for justifying its determinations that the information redacted from those materials should be treated as non-public.

***Conclusion***

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.